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# Message Text

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ACTION SP-02

INFO OCT-01 EA-10 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SS-15
USIA-06 AID-05 EB-08 TRSE-00 STR-04 OMB-01 CEA-01
COME-00 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01 IGA-02
MMO-01 OES-07 IO-13 /112 W
----------078310 032037Z /64
R 030234Z SEP 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 800

C O N F I D E N T I A L TOKYO 13552

FOR S/P TONY LAKE

E.O. 11652: GDS
TAGS: JA, ECON
SUBJECT: NORTH-SOUTH STRATEGIES

REF: STATE 191928

1. JAPAN'S POST-WAR DIPLOMACY HAS BEEN CONSERVATIVE, CAUTIOUS AND ESSENTIALLY RACTIVE. WHILE GOJ HAS PROVIDED USEFUL, OFTEN CRUCIAL SUPPORT FOR INITIATIVES WE HAVE PROPOSED, IT HAS TAKEN FEW OF ITS OWN. DESPITE BURGEONING ECONOMIC STRENGTH, JAPANESE HAVE BEEN SLOW TO PERCEIVE THEIR NATION AS MAJOR INDUSTRIAL POWER WITH COMMENSURATE POLITICAL/ECONOMIC WORLD ROLE. THIS HAS MEANT, INTER ALIA, THAT JAPAN HAS ONLY RECENTLY BEGUN TO ACCEPT NOTION THAT IT MUST PARTICIPATE ACTIVELY IN SHAPING CONSTRUCTIVE NORTH-SOUTH RELATIONSHIP. WE CANNOT EXPECT SHARP CHANGE IN GOJ ATTITUDES OR APPROACH. NONETHELESS, SOME CHANGE IS DISCERNIBLE AND WE CAN ENGOURAGE JAPANESE TO PROCEED GRADUALLY IN MORE ACTIVE DIRECTION.

2. MOST NOTEWORTHY RECENT INDICATION OF CHANGE IN
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JAPANESE PERCEPTION OF THEMSELVES AND THIS WORLD ROLE WAS FUKUDA TRIP TO SOUTHEAST ASIA. GOJ OBJECTIVES WERE RELATIVELY MODEST -- TO SIGNAL TO ASEAN COUNTRIES JAPAN'S READINESS TO PLAY LARGER ECONOMIC AND (IMPLICITLY) POLITICAL ROLE IN REGION, TO AMELIORATE PREDOMINANT IMPRESSION THERE OF JAPAN AS SOMEWHAT PREDATORY ECONOMIC ANIMAL, AND, WHILE COURTING ASEAN, AT SAME TIME TO

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AVOID ALIENATING HANOI. VISIT WAS PRECEDED BY CAREFUL GROUNDWORK, WITH ASEAN GOVERNMENTS AND WITHIN GOJ, SO THAT FUKUDA'S AID AND INVESTMENT OFFERS WERE NOT TOO FAR SHORT OF WHAT ASEAN HAD HOPED FOR WHILE WITHIN REALM OF POSSIBLE IN TERMS OF ABILITY AND WILLINGNESS OF GOJ BUREAUCRACY AND DIET TO SUPPORT. IT WOULD BE RASH TO PRESUME THAT THIS MODEST SUCCESS PORTENDS SIMILAR GOJ EFFORTS ELSEWHERE IN THIRD WORLD. JAPANESE HAVE GEOGRAPHIC, CULTURAL AND RESOURCE TIES WITH SEA WHICH INSURES SPECIAL ATTENTION TO THAT REGION. NEVERTHELESS, IT IS AT LEAST POSSIBLE THAT SUCCESS OF THIS INITIATIVE MAY ENCOURAGE JAPAN TO EXTEND ITSELF IN OTHER AREAS. FOR THIS REASON ALONE, US HAS IMPORTANT STAKE IN CONTINUING SUCCESS OF JAPAN-ASEAN DIALOGUE.

3. BUT WHILE UNILATERAL JAPANESE EFFORTS IN OTHER AREAS WOULD BE WELCOME AND SHOULD BE ENCOURAGED DISCREETLY, A SIG-NIFICANTLY LARGER JAPANESE ROLE IS MORE PLAUSIBLE IN MULTILATERAL CONTEXT. HERE TOO, CHANGE WILL BE SLOW, AND DESPITE MORE SOPHISTICATED APPRECIATION OF LDC NEEDS AND JAPAN'S RESPONSIBILITY TOWARD MEETING THEN, JAPANESE ARE UNLIKELY TO BE IN FOREFRONT OF ANY MULTILATERAL EFFORT. THEIR THINKING WILL CONTINUE TO REFLECT, AS IT DID AT UNCTAD IV, PERSISTENT DISHOTOMY. ON ONE HAND, GOJ RECOGNIZES ITS STAKE IN NORTH-SOUTH DIALOGUE AND NEED TO RESPOND TO LEGISLATIVE LDC DEMANDS, IF FOR NO OTHER REASON THAN TO PRESERVE RELATIVELY OPEN WORLD ECONOMIC SYSTEM UPON WHICH CONFIDENTIAL



JAPAN'S WELL-BEING DEPENDS. ON THE OTHER, GENUINE NATIONAL RETICENCE AND DEEP-SEATED RELUCTANCE TO INVOLVE ITSELF, AS WELL AS INGRAINED FISCAL CONSERVATISM MEA THAT JAPAN WILL RESIST, AT LEAST PASSIVELY, MAJOR AID COMMITMENTS IN MOST INSTANCES. THROUGH PROCESS OF CANDID AND FREQUENT CONSULTATION WE BELIEVE WE CAN TILT BALANCE IN FAVOR OR MORE ACTIVE INVOLVEMENT AT LEAST IN SOME CASES. HOWEVER, WE SHOULD REJECT TEMPTATIONS TO DEFINE FOR JAPAN WHAT ITS EXPANDED ROLE SHOULD BE, AND SHOULD BEAR IN MIND POSSIBILITY THAT BY EXERTING PRESSURE ON SPECIFIC MULTILATERAL ISSUES (WHETHER A GOOD GRAIN RESERVE OR AFRICA CONSORTIA) WE WILL REINFORCE JAPANESE HABIT OF RESPONDING ONLY TO PARTICULAR APPEALS AND INHIBIT DEVELOPMENT OF COMPREHENSIVE JAPANESE APPROVAL TO ECONOMIC ASSISTANCE.

4. WITH RESPECT TO PARA. 4, AS WE CONSIDER WAYS TO FORM OUR AID MORE SHARPLY TOWARD MEETING BASIC HUMAN NEEDS, WE SHOULD KEEP GOJ FULLY APPRISED OF OUR THINKING. IF FULLY CONSULTED, GOJ MIGHT BE PERSUADED GRADUALLY TO SHIFT ITS OWN EMPHASIS TOWARD THOSE CATEGORIES OF ASSISTANCE. HOWEVER, IN JAPANESE TERMS THIS WOULD REPRESENT A SIGNIFICANT DEPARTURE FROM PAST PRACTICE AND PAST AID PHILOSPHY,

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WHICH HAVE EMPHASIZED AID AS AN INSTRUMENT FOR INSURING
RESOURSE AND MARKET ACCESS. THERE WILL BE CONSIDERABLE
RESISTANCE WITHIN GOJ AND BUSINESS COMMUNITY TO ANY SUCH SHIFT
AND IT CANNOT, OF COURSE, BE IMPLEMENTED BY EXECUTIVE
FIAT. WE SHOULD NOT, IN SHORT, EXPECT TOO MUCH. NEVERTHELESS,
IF THIS IS TO BE MAJOR THEME IN OUR OWN APPROACH, WE CAN
PROBABLY BRING GOJ PARTIALLY ALONG.

5. IF WE EXPECT TO MOVE IN THIS DIRECTION IN NEAR FUTURE,
CONSULTATIONS WITH GOJ SHOULD BEGIN FORTHWITH. PLANNING
TALKS SET FOR SEPT. 7-9 WOULD APPEAR TO BEIDEAL OPPORTUNITY
TO BROACH IDEAS WITH FONOFF PLANNING EXPERTS, TEST THEIR INITIAL
REACTION, AND ALLOW THEM TO BEGIN PROCESS OF CONSENSUS-BUILDING
NECESSARY TO BRING ABOUT ANY MAJOR POLICY CHANGE.
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# Message Attributes

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**Decaption Date:** 01-Jan-1960 12:00:00 am
**Decaption Note:**
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**Disposition Approved on Date:**
**Disposition Case Number:** n/a
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**Disposition Date:** 22 May 2009
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**Enclosure:** n/a
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**Original Previous Handling Restrictions:** n/a
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**TAGS:** ECON, JA
**To:** STATE
**Type:** TE
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**Review Markings:**
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